

## Message Text

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44

ACTION EA-10

INFO OCT-01 ISO-00 SCS-03 SCA-01 L-02 H-01 SP-02 CIAE-00

INR-07 NSAE-00 EB-07 COME-00 OMB-01 CIEP-01 TRSE-00

/036 W

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R 140350Z FEB 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 6588

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EO 11652: N/A

TAGS: CPRS ID

SUBJ: P T BAUD CASE

REFS: A. JAKARTA 15023 B. JAKARTA 14261

1. ON FEBRUARY 10, EMBASSY RECEIVED LETTER FROM EXECUTIVE SECRETARY GOI DEPARTMENT OF FINANCE, DIRECTOR GENERAL MENETARY AFFAIRS(JULIANTO) TRANSMITTING COPY OF LETTER TO CHARLES SULLIVAN, PRESIDENT, SEA OIL AND GENERAL DATED JANUARY 28TH FROM MINFIN, ALI WARDHANA WHICH READS AS FOLLOWS: QUOTE RE: COMPENSATION FOR THE FORMER BAUD PLANTATIONS. REFERRING TO YOUR LETTER TO THE VICE PRESIDENT OF THE REPUBLIC OF INDONESIA OF AUGUST 16, 1974, AND PREVIOUS CORRESPONDENCE CONCERNING YOUR COMPANY'S CLAIM, THE GOVERNMENT RESTATES HEREWITH THAT THE TITLES OF THE FORMER BAUD PLANTATIONS WERE ABOLISHED BY LAW BASED ON THE RELEVANT AGRARIAN LAWS AND REGULATIONS. (SEE FURTHER ENCLOSED STATEMENT). AFTER CAREFULLY STUDYING YOUR PROPOSALS, AS WELL AS ON THE BASIS OF NEGOTIATIONS WITH YOU AND YOUR PREDECUSSORS, AND BASED ON THE EXISTING AGRARIAN LAWS AND REGULATIONS, THE GOVERNMENT HAS NOW DECIDED TO PAY IN CASH THE AMOUNT OF US\$450,000(FOUR HUNDRED AND FIFTY

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THOUSANT US DOLLARS) IN SETTLEMENT OF SEA OIL'S

ENTIRE CLAIM. THIS OFFER IS FINAL AND IT CANCELS AND  
SUPERSEDES ALL PREVIOUS PROPOSALS OF THE GOVERNMENT.  
I WOULD APPRECIATE IF YOU WOULD INFORM ME SOONEST  
WHICH BANK YOUR COMPANY HAS AN ACCOUNT WITH. UNQUOTE.

2. "FURTHER ENCLOSED STATEMENT"NOTED IN LETTER IS  
IDENTICAL WITH DOCUMENT GIVEN TO SULLIVAN BY INDONESIAN  
ECONOMIC COUNSELOR ADIWOSO WITH NOTATION QUOTE  
DRAFT FOR PERSONAL USE BY MR CH. SULLIVAN UNQUOTE,  
WITH FOLLOWING EXCEPTIONS: NEW PARAGRAPH EIGHT WHICH  
READS AS FOLLOWS: QUOTE IT SHOULD BE NOTED THAT  
THE APPLICATION OF LAW NO 1, YEAR 1958 AND LAW NO 5  
YEAR 1960 ON N V BAUD/P T BAUD INDONESIA (SEE  
NOS 2, 4 AND 7 ABOVE) WAS NON-DISCRIMINATORY. UNQUOTE:  
SUBSEQUENT PARAPGRAPH NUMBER ADJUSTED ACCORDINGLY,  
EG, FORMER PARA 10C NOW PARA 11C STATES QUOTE  
(SEE NO 14A BELOW) UNQUOTE; FORMER PARA 13A, NOW  
PARA 14A FIRST SENTENCE NOW READS AS FOLLOWS: QUOTE  
ON MARCH 10, 1973 THE GOVERNMENT AGREED TO GRANT A  
NEW TITLE TO THE TOGE AND CIKASUNGKA PLANTATIONS,  
SUBJECT TO CERTIAN TERMS AND WAS  
PREPARED TO OFFER OTHER PLANTATIONS OR LAND AS A QUID  
PRO QUO FOR THE PAMEGOTAN AND JATINANGOR PLANTATIONS.  
UNQUOTE; AND THE ADDITION OF NEW FINAL PARAGRAPH,  
WHICH READS AS FOLLOWS: QUOTE 15. IN VIEW OF THE  
EXISTING AGRARIAN LAWS AND REGULATIONS, THE GOVERNMENT  
HAS NOW DECIDED TO PROVIDE MMNETARY COMPENSATION IN  
CASH THE AMOUNT OF US\$450,000(FOUR HUNDRED AND FIFTY  
THOUSAND US DOLLARS) IN SETTLEMENT OF SEA OIL'S  
ENTIRE CLAIM. THIS OFFER IS FINAL AND IT CANCELS  
AND SUPERSEDES ALL PREVIOUS PROPOSALS OF THE GOVERNMENT.  
UNQUOTE. DOCUMENT IS THEN DATED JANUARY 28, 1975 AND SIGNED  
BY MINFIN ALI WARDHANA.

3. "APPENDIX" TO DOCUMENT PREVIOUSLY RECEIVED AND  
TRANSMITTED TO DEPARTMENT IS IDENTICAL TO THAT INCLUDED  
IN NEW "STATEMENT ON THE FORMER BAUD PLANTATIONS."

4. IN AMBASSADOR'S LETTER OF ACKNOWLEDGEMENT IT WAS  
STATED QUOTE IN VIEW OF THE KEEN INTEREST OF THE UNITED  
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STATES GOVERNMENT IN CASES OF THIS NATURE AS INDICATED  
BY THE PRESIDENT'S STATEMENT OF POLCY ON NATIONALIZATION  
OF AMERICAN CITIZEN'S PROPERTY AND THE VARIOUS ITEMS  
OF LEGISLATION PASSED BY THE HOUSE AND SENATE OF THE  
UNITED STATES CONGRESS, THE EMBASSY IS HOPEFUL THAT  
THIS CASE WILL BE RESOLVED TO THE MUTUAL SATISFACTION  
OF YOUR GOVERNMENT AND SEA OIL AND GENERAL CORPORATION.  
UNQUOTE.

5. KIM ADHYATMAN (AIDE TO FORMIN MALIK) CALLED  
CML COUNSELOR ON OTHER MATTER FEBRUARY 12 AND WAS  
UNAWARE WARDHANA LETTER. COPY OF LETTER AND ATTACH-  
MENT BEING MADE AVAILABLE TO ADHYATMAN.

6. COPIES OF ALL DOCUMENTS RECEIVED FEBRUARY 10 BEING  
TRANSMITTED TO EA/IMS BY AIRGRAM. NEWSOM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CLAIMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975JAKART01905  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750054-0521  
**From:** JAKARTA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750242/aaaablvh.tel  
**Line Count:** 123  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A. JAKARTA 15023 B. JAKARTA 14261  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14 JUL 2003 by BoyleJA>; APPROVED <15 JUL 2003 by GolinoFR>  
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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** P T BAUD CASE  
**TAGS:** CPRS, ID, P T BAUD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006